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CENTRAL INTELLIGENCE AGENCY

INFORMATION REPORT

CD NO. [REDACTED]

TELEFAX 9

COUNTRY Eastern Germany

SECURITY INFORMATION

DATE DISTR. 15 SEP 51

SUBJECT Lack of Organization in Top Economic Offices of Eastern Germany

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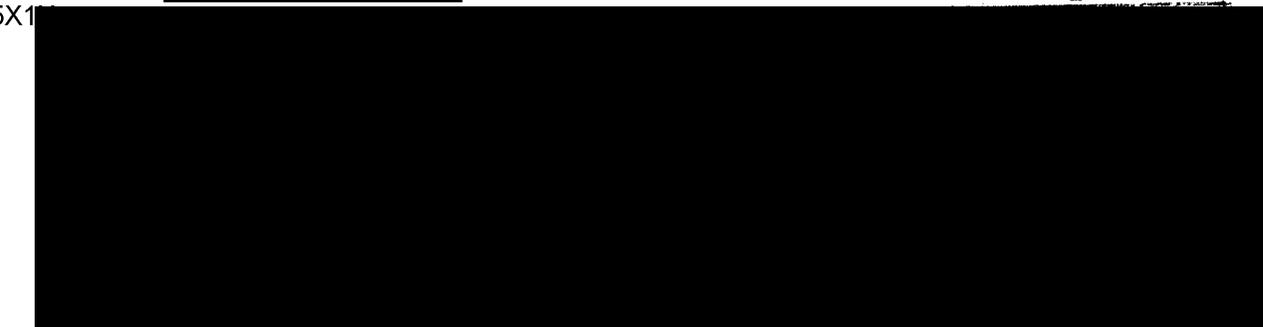
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NO. OF ENCLS. (LISTED BELOW)

DATE OF INFO. [REDACTED]

SUPPLEMENT TO REPORT NO.

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1. In order to depict the confusion which reigns among officials in the economic offices of the DDR, the following personal experiences [REDACTED]

a. Months ago, the Deutscher Aussondeler (DAMA) indicated a desire to obtain a milling machine from Starrfräsmaschinen AG (STARFRAG), Rorschach, Switzerland. The plant which needed this machine was the Lokomotiv- und Eisenbahnwerkstätten (LOWA) in Neubabelsberg. The Swiss firm required a working drawing of the machine desired, and months ago DAMA agreed to furnish it and LOWA was instructed to prepare the drawing. During Source's last visit to Berlin, he learned from Strampe (fmu) an engineer of DAMA, that, despite continuous requests from DAMA to LOWA, the drawing was not yet ready. Strampe apologized for the delay and claimed that the constant delays in the East German factories were responsible for the situation. LOWA explained its failure to produce the drawing by stating that the technician in Neubabelsberg was sick. Apparently no one else at LOWA is able to make the decision regarding the necessary specifications for the machine.

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b. Laro (fmu) a DAMA engineer and lathe expert, [REDACTED] the industrial import plan of 1951, as drawn up by the Planning Commission, has not yet been received at DAMA. This makes DAMA's work extremely difficult. Therefore, it is impossible to clarify questions concerning a plan to exchange lathes from the Carl Zeiss Jena AG, Werkzeugmaschinenfabrik at St. Georgen (Kreis Müllingen, Jenaerwald), for a Textina grinding machine from Eastern Germany.

2. The latter incident indicates clearly the complicated bureaucratic channels which have to be cleared in the DDR, merely to exchange a machine from the Eastern Zone against a machine from the Western Zone. The importation of a machine into Eastern Germany is the responsibility of DAMA. However, the exportation of a machine from Eastern Germany is the responsibility of the office of Innerdeutscher Handel at Französische Strasse 24, Berlin. The head of Innerdeutscher Handel is one Kersting (fmu), about 54 years old, a skilled businessman who formerly worked for the Siemens company. He is described as affable. His assistant is one Nager (fmu), about 42 years old, who was formerly a customs official. Kersting stated that he would be willing to agree to the exchange of a grinding machine from the Eastern Zone, but first he would have to find a factory which needs lathes from Eastern Germany.

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